GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1205
ANSWERED ON:07.12.2015
FTAs/PTAs with Countries
Sundaram Shri P.R.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

a) the details of countries with which India has entered into Free Trade Agreements (FTAs)/Comprehensive Economic Partnership Agreements/ Preferential Trade Agreements (PTAs) along with the total trade with FTA partner countries including ASEAN countries during the last three years and the current year along with the names of the countries including European Union and USA with which Government is in talk to enter into FTA;

b) whether the Government has made any assessment/evaluation or proposes to make any review of the impact of FTAs signed with various countries including the ASEAN countries and if so, the details thereof;

c) whether FTAs have resulted in preferential imports from FTA partner countries and the export from the country has declined and if so, the details thereof indicating items that have recorded major increase in imports during the said period;

d) whether any misuse or abuse of the FTA provisions have been reported during the above period and if so, the details thereof; and

e) the measures taken by the Government to boost exports as well as protect domestic industries and agricultural sector from the adverse impact of import?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)
(a) The details of the Free Trade Agreements (FTAs)/Comprehensive Economic Cooperation Agreements (CECAs)/Comprehensive Economic Partnership Agreements (CEPA) and Preferential Trade Agreements entered into by India is given in Annexure 1 and Annexure 2 respectively. The total trade with the FTA partner countries/block of countries, including ASEAN countries, during the last three years and current years (upto September, 2015) is given in Annexure 3. The name of the countries/blocks with which Government is negotiating FTA is given in Annexure -4. There is no proposal for entering into an FTA with USA.
(b)&(c): Assessment evaluation of FTAs is a continuous process which starts even before FTA negotiations are entered into. Before entering into negotiations with its trading partners, studies are undertaken internally, as well as through the Joint Study Group (JSG) to study the feasibility of the proposed FTAs, including their impact on the domestic stakeholders. An analysis based on the available preferential import data from some key FTA partners reveals that the percentage of overall preferential imports are low in relation to the overall imports from these partners. However, share of preferential imports to total imports is significant with some trading partners in specific sectors such as iron and steel, plastics and organic chemicals.
(d) Misuse of FTA provisions has been alleged in certain cases. These, inter-alia, include issues in imports of flat panel television and gold jewelry from Thailand; import of cold rolled stainless steel flat products from ASEAN region; apples from Afghanistan; marble from Sri Lanka and betelnuts under SAFTA/SAPTA/India-Sri Lanka FTA etc.
(e) In order to protect the interest of the domestic industry and agriculture sector, these trade agreements provide for maintaining sensitive/negative lists of items on which limited or no tariff concessions are granted under the FTA. In addition, in case of a surge in imports and injury to the domestic industry, a country is allowed to take recourse to the measures such as anti-dumping and safeguards. Government of India takes recourse to such measures as and when required.

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Annexure 1
FTAs/CECAs/CEPAs already in force:

SN Name of the Agreement Date of Signing of the Agreement Date of Implementation of the Agreement
1 India - Sri Lanka FTA 28th Dec.. 1998 1st March, 2000
2 Agreement on SAFTA
(India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan, the Maldives and Afghanistan) 4th January, 2004 1st January, 2006
(Tariff concessions implemented from 1st July, 2006)

3 Revised Agreement of Cooperation between Government of India and Nepal to control unauthorized trade 27th October, 2009 27th October, 2009
4 India - Bhutan Agreement on Trade Commerce and Transit 17th January, 1972 Renewed periodically, with mutually agreed modifications.

5 India - Thailand FTA - Early Harvest Scheme (EHS) 9th October, 2003. 1st September, 2004
6 India - Singapore CECA 29th June, 2005 1st August, 2005
7 India - ASEAN- CECA - Trade in Goods Agreement (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam) 13th August, 2009 â€¢ 1st January 2010 in respect of India and Malaysia, Singapore, Thailand.
â€¢ 1st June 2010 in respect of India and Vietnam.
â€¢ 1st September 2010 in respect of India and Myanmar.
â€¢ 1st October 2010 in respect of India and Indonesia.
â€¢ 1st November 2010 in respect of India and Brunei.
â€¢ 24 January 2011 in respect of India and Laos.
â€¢ 1st June 2011 in respect of India and the Philippines.
â€¢ 1st August, 2011 in respect of India and Cambodia.
8 India - South Korea CEPA 7th August 2009 1st January, 2010
9 India - Japan CEPA 16th February, 2011 1st August, 2011
10 India - Malaysia CECA 18th February, 2011 1st July, 2011
11 India-ASEAN Services and Investment Agreement
(Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam) November, 2014 1st July, 2015

Annexure 2
PTAs already in force:

S. No. Name of the Agreement Date of Signing of the Agreement Date of Implementation of the Agreement
1 Asia Pacific Trade Agreement (APTA)
(Bangladesh, China, India, Republic of Korea, Sri Lanka) July, 1975
(revised on 2nd November, 2005 1st Nov,1976

2 Global System of Trade Preferences
(GSTP)
(Algeria, Argentina, Bangladesh, Benin, Bolivia, Brazil, Cameroon, Chile, Colombia, Cuba, Democratic People"s Republic of Korea, Ecuador, Egypt, Ghana, Guinea, Guyana, India, Indonesia, Iran, Iraq, Libya, Malaysia, Mexico, Morocco, Mozambique, Myanmar, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Republic of Korea, Romania, Singapore, Sri Lanka, Sudan, Thailand, Trinidad and Tobago, Tunisia, Tanzania, Venezuela, Viet Nam, Yugoslavia, Zimbabwe) 13th April, 1988 19th April,1989

3 SAARC Preferential Trading Agreement (SAPTA)(India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan and Maldives) 11 April, 1993 7 December, 1995
4 India - Afghanistan 6th March, 2003 13th May,2003
5 India - MERCOSUR (Argentina, Brazil, Paraguay and Uruguay) 25th January, 2004 1st June, 2009

6 India - Chile 8th March, 2006 11th September, 2007

Annexure 3
India's total trade with FTA partners
(VALUES IN MILLION USD)
BLOCK YEAR EXPORT IMPORT TOTAL TRADE
APTA COUNTRIES 2012-13 26914.05 66618.58 93532.63
2013-14 29778.81 64658.43 94437.25
2014-15 29716.47 75319.81 105036.29
2015-16(APR TO SEP) 11899.90 38995.52 50895.42
GSTP COUNTRIES 2012-13 78039.06 140625.46 218664.52
2013-14 82935.06 135926.39 218861.45
2014-15 84206.96 134450.26 218657.22
2015-16(APR TO SEP) 32867.06 58385.95 91253.02
ASEAN COUNTRIES 2012-13 33008.31 42866.36 75874.67
2013-14 33135.05 41279.29 74414.35
2014-15 31812.86 44714.77 76527.63
2015-16(APR TO SEP) 11787.95 20953.49 32741.44
JAPAN 2012-13 6101.24 12412.29 18513.54
2013-14 6814.64 9481.03 16295.67
2014-15 5385.87 10131.36 15517.23
2015-16(APR TO SEP) 2597.79 4912.18 7509.97
KOREA 2012-13 4205.67 13105.12 17310.79
2013-14 4209.52 12470.97 16680.49
2014-15 4604.19 13529.11 18133.30
2015-16(APR TO SEP) 1767.62 6651.28 8418.91
MALAYSIA 2012-13 4444.10 9951.06 14395.15
2013-14 4198.18 9230.18 13428.36
2014-15 5816.65 11117.74 16934.39
2015-16(APR TO SEP) 2154.69 4675.53 6830.22
SINGAPORE 2012-13 13619.31 7486.38 21105.70

2013-14 12511.19 6762.71 19273.90
2014-15 9809.53 7124.47 16934.00
2015-16(APR TO SEP) 3425.72 3810.31 7236.02
AFGHANISTAN 2012-13 472.63 159.55 632.18
2013-14 474.35 208.77 683.13
2014-15 422.56 261.91 684.47
2015-16(APR TO SEP) 302.66 109.34 412.00
BHUTAN 2012-13 233.22 164.00 397.22
2013-14 355.61 152.17 507.78
2014-15 333.94 149.87 483.81
2015-16(APR TO SEP) 183.75 183.61 367.36
CHILE 2012-13 690.00 2992.31 3682.31
2013-14 664.02 2508.04 3172.06
2014-15 565.82 3080.63 3646.45
2015-16(APR TO SEP) 331.60 1111.82 1443.43
NEPAL 2012-13 3088.84 543.10 3631.94
2013-14 3592.43 529.95 4122.37
2014-15 4558.77 639.91 5198.68
2015-16(APR TO SEP) 1946.49 258.18 2204.67
SRILANKA 2012-13 3983.87 625.81 4609.68
2013-14 4534.51 666.94 5201.45
2014-15 6703.72 756.17 7459.89
2015-16(APR TO SEP) 2791.26 394.52 3185.78
MERCOSUR COUNTRIES 2012-13 6814.66 6057.54 12872.20
2013-14 6414.12 5085.23 11499.35
2014-15 6738.84 7501.63 14240.46
2015-16(APR TO SEP) 1964.77 3225.33 5190.10
SAARC COUNTRIES 2012-13 15110.80 2679.95 17790.75
2013-14 17504.59 2473.07 19977.66
2014-15 20480.14 2930.85 23411.00
2015-16(APR TO SEP) 8814.72 1499.39 10314.10
THAILAND 2012-13 3733.17 5352.61 9085.78
2013-14 3703.39 5340.36 9043.75
2014-15 3464.83 5865.88 9330.71
2015-16(APR TO SEP) 1530.25 2927.19 4457.43
Source-DGCIS, Kolkata
NOTE: FIGURES FOR 2015-16(APR TO SEP) IS PROVISIONAL.

Annexure 4
FTAs/PTAs under Negotiation:

S. No. Name of the Agreement Status
1 India - EU BTIA
(Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom) Negotiations launched on 28th June 2007 in the areas of Goods, Services, Investment, Sanitary and Phyto-sanitary Measures, Technical Barriers to Trade, Trade Facilitation and Customs Cooperation, Competition, IPR & GIs. etc.

Fifteen rounds of negotiations and a number of inter-sessional and Chief Negotiator level meetings have been held till date. A Ministerial review meeting between Hon'ble Commerce & Industry Minister and EU's Trade Commissioner was held on 15th April, 2013 at Brussels.

After a period of lull, both sides began re-engagement from October, 2014 onwards.
2 India − Sri Lanka CEPA FTA in goods implemented from March 2000.

A JSG was set up in April, 2003 to widen the ambit of ISLFTA to go beyond Trade in Goods to include Services and to facilitate greater investment flows between the two countries. Based on the recommendation and conclusion of the JSG, negotiations for a CEPA were started in February, 2005.

No discussion is currently taking place India-Sri Lanka CEPA
3 India - Thailand CECA Early Harvest Scheme on 82 items implemented. So far 29th rounds of India-Thailand Trade Negotiation committee (ITTNC) meetings have been held. The 29th round was held in Bangkok in June 2015.
4 India - Mauritius CECPA Ten rounds of negotiations on India-Mauritius CECPA have been held between the two sides so far. The last round of negotiation was held between India and Mauritius on 23−24 October, 2006. However, CECPA negotiations have been formally put on hold.
5 India EFTA TEPA (Iceland, Norway, Liechtenstein and Switzerland) The India-EFTA TEPA (Trade and Economic Partnership Agreement) was launched in January 2008 (then known as BTIA). The first round was held in New Delhi during 6-8 October, 2008. The Chapters covered are Trade in Goods, Services, Investment,, Sanitary and Phyto-sanitary Measures (SPS), Technical Barriers to Trade(TBT), Trade Facilitation and Customs Cooperation, Competition, Intellectual Property Rights (IPR), Government Procurement (GP), Dispute Settlement(DS), Trade Defence(TD), Rules of origin(ROO), Sustainable Development (SD) and Legal & Horizontal etc. 13 rounds of negotiations have been held with the 13th and final round being held on 25-29th November, 2013. Legal vetting has been

completed in most of the texts with only some residual work remaining. There are few pending issues on both sides such as TRIPS Plus and Data Adequacy/Data Security status.

6 India - New Zealand FTA/CECA Ten Rounds of negotiation of CECA have been held so far. The 10th Round was held in New Delhi on 17-18 February, 2015.

7 India − Israel FTA Eight rounds of negotiations on India-Israel FTA have been held so far. The Eighth round was held in Israel from 24-26 November, 2013.

8 India - Singapore CECA Second review of India-Singapore CECA was launched in May, 2010. During the visit of Minister of Commerce & Industry on 15-16 May, 2013 to Singapore, it was decided to constitute a Joint Working Group of Reserve Bank of India and Monetary Authority of Singapore to resolve the issue of Asset Maintenance Requirements in a time bound manner to conclude the 2nd Review on the issue of Employee Provident Fund.

9 India - SACU PTA (South Africa, Botswana, Lesotho, Swaziland and Namibia) Five rounds of negotiations have been held so far. 1st Round of negotiation was held in Pretoria on October 5-6th, 2007 and the 5th round of negotiations held in October 2010 in New Delhi. During the 9th Joint Ministerial Commission (JMC) meeting held at Durban on 19th March, 2015 under the co-chairmanship of Hon'ble Minister of External Affair and South Africa's Foreign Minister, while discussing pending negotiations on finalization of INDIA-SACU PTA, the Indian side requested the South African side for assistance in holding the 6th round of negotiations.

10 India - Mercosur PTA

(Argentina, Brazil, Paraguay and Uruguay) The two issues currently under discussion on the India-Mercosur PTA are the expansion in coverage and inclusion of Venezuela in the PTA.

11 India − Chile PTA With the objective of gaining optimal benefits and boosting bilateral trade between the two countries, the expansion of India-Chile PTA is being processed for Cabinet approval.

12 BIMSTEC FTA

(Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal) 20 meetings of the Trade Negotiation Committee (TNC) have taken place. 20th Meeting of BIMSTEC Trade Negotiating Committee (TNC) was held on during 07-09, September 2015 in Khon Kaen Province, Thailand.

13 India - Gulf Cooperation Council (GCC) Framework Agreement

(Saudi Arabia, Oman, Kuwait, Bahrain, Qatar and United Arab Emirates) Two rounds of negotiations have been held so far in 2006 and 2008. The second round was held in September 9-10, 2008. No round could take place held in the last 7 years since GCC has deferred its negotiations with all countries and economic groups and is currently reviewing its negotiations with all countries and economic groups.

14 India − Canada FTA Nine rounds of negotiation on India-Canada CEPA have been held so far. The Ninth round was held in March, 15.

15 India - Indonesia Comprehensive Economic Cooperation Agreement (CECA) Commencement of negotiation on Indonesia - India CECA was announced on 25th January 2011 during the visit of Indonesian President to New Delhi. Negotiations are yet to commence. The first meeting pre-negotiation and Biennial Trade and Investment Forum (BTIF) took place in Jakarta on October 3-4, 2011. Negotiation has been kept in abeyance watching progress of RCEP.

16 India - Australia CECA Nine rounds of negotiations have been held so far. The Ninth round of negotiations was held on 21-23 September, 2015 in New Delhi, India.

17. India-Malaysia CECA

(1st Review) 1st meeting of the India-Malaysia Joint Committee meeting to review implementation of the Agreement was held on 8th December, 2014.

18 Regional Comprehensive Economic Partnership (RCEP) Agreement among ASEAN + 6 FTA Partners (Australia, China, India, Japan, South Korea and New Zealand) Based on the Declaration of the Leaders during the ASEAN Summit in November, 2012, negotiations for a comprehensive economic partnership between the 10 ASEAN member states and its 6 FTA partners commenced in May, 2013. Ten rounds of negotiations have been held so far. The 10th round was held on 8-16, October 2015 in Busan, Korea. The negotiations cover a number of areas like trade in goods, services, investment, intellectual property, economic & technical cooperation, competition and legal & institutional issues.

19 India-ASEAN Trade in Goods Agreement (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam)

(1st Review) The ASEAN Secretariat has agreed to the 1st review of India-ASEAN trade in Goods Agreement in the coming months. Dates would be finalized as per mutual consultations.

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